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BAR MANAGEMENT

Summer beer quench thirst

See Section Two

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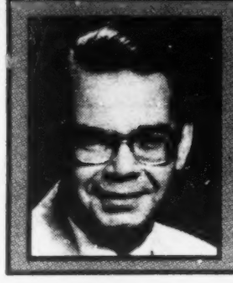

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See Charles Bernstein/F3

NEWSPAPER

SECOND CLASS

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CONGRESSIONAL INFORMATIO 182
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814
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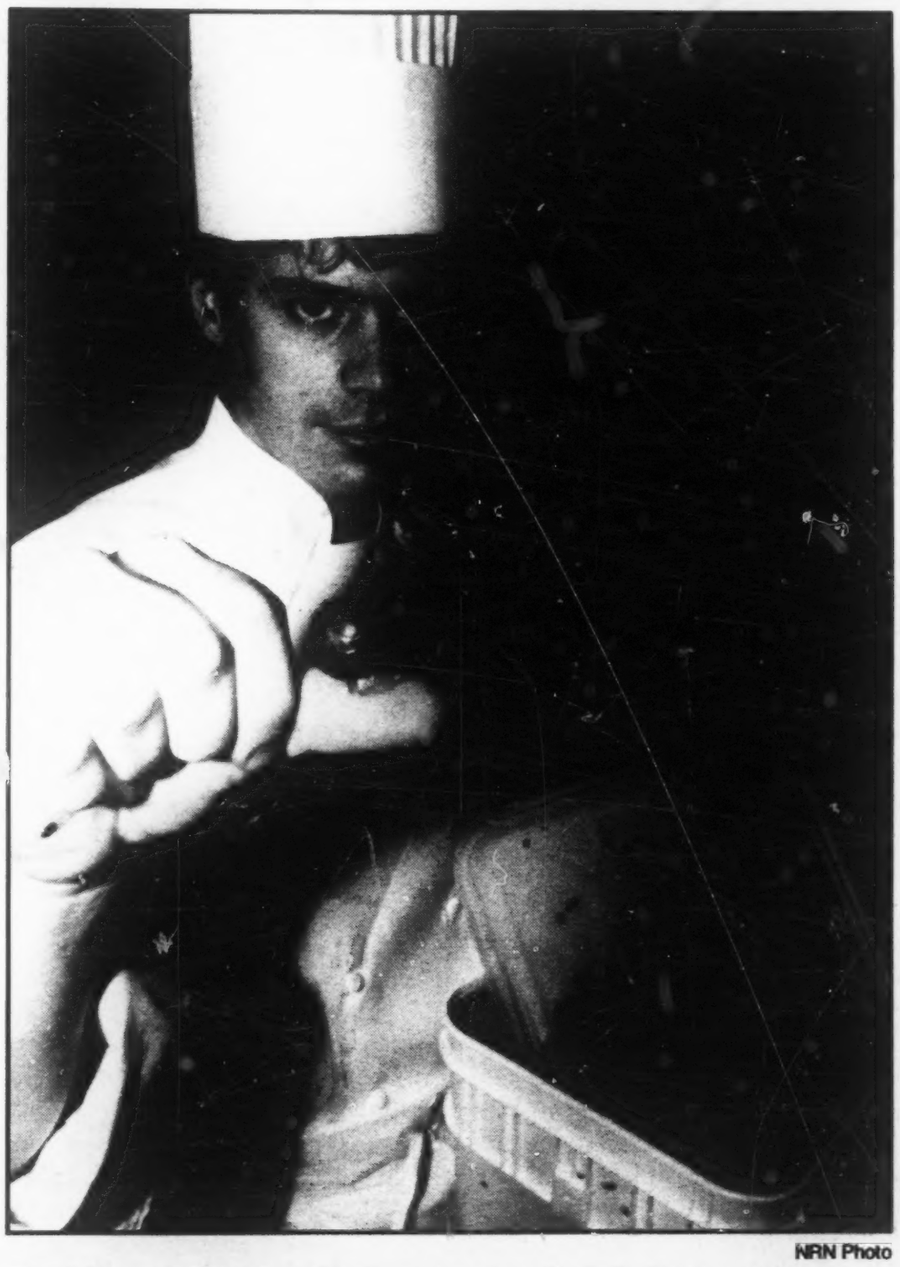

NRN Photo

Coohill with live snails for dish developed at The Abbey.

Sharpshooter Coohill rides into City Grill

By Jack Hayes

ATLANTA — Peasant Restaurants Inc., in its resolve to operate one of the nation's most prestigious luxury dining establishments, is planting a culinary sharpshooter in the kitchen of the 6-month-old City Grill here.

The hiring of 25-year-old Tom Coohill — who quickly became one of Atlanta's most sought-after culinary stars after sweeping four medals, including a U.S. Chefs Open Grand Award while he was executive chef at The Abbey here — marks a gain for Peasant Restaurants.

And it marks a loss for The Abbey, which had grabbed

*(See **COOHILL**, page 57)*

Bush strikes down hourly wage hike

Democrats vow to try again

By Ken Rankin

WASHINGTON — Frustrated by President Bush's veto of the $4.55 minimum-wage bill, congressional Democrats are already hatching plans for a new "veto-proof" bill.

Sen. Edward Kennedy, D-Mass., for one, has vowed that his Senate Labor Committee would begin writing the new minimum-wage legislation as soon as Congress returns from its July 4 recess early next month.

Although the final terms of the Democrats' "compromise" measure may not be known for several weeks, one approach under discussion now on Capitol Hill involves raising the current $3.35 hourly minimum to $4.25 over two years. Although that would satisfy the president's insistence on a $4.25 cap on the wage floor, congressional Democrats are not likely to accept his demand for a sub-minimum "training wage" for all newly hired employees.

The bill that the president

*(See **BUSH**, page 57)*

Cara enters ring in Dunkin' fight

Contract feeder backs Mann

By Peter Romeo

RANDOLPH, Mass. — Toronto businessman George Mann is pressing his pursuit of Dunkin' Donuts by teaming up with Cara Operations, a Canadian food-service power, to tender a sweetened purchase offer of $43 per share.

Cara, a contract feeder and airport concessionaire, will operate Dunkin's 1,455-unit doughnut chain if the $278 million cash bid is accepted, according to a spokesman for Mann's Kingsbridge Capital investment unit. Dunkin's nine franchised Chili's restaurants would be sold, the spokesman told Dow Jones News Service.

The enlistment of an experienced food-service operator could temper Dunkin's franchisees' opposition to an acquisition. The licensees' National Advisory Council, professing steadfast loyalty to Dunkin's seasoned management, has pledged to support the company in a takeover fight. Some of the operators have reportedly been buying Dunkin' shares to put more voting power in friendly hands.

"It's a very risky bid because the takeover of any

*(See **DUNKIN'**, page 57)*

FOOD WATCH

Something fishy

SAN FRANCISCO — Fred Halpert, Portman Grill executive chef, sampled a dozen different bouillabaisses along France's Mediterranean coast before creating his own version of the classic Provençal fish soup.

He finally chose a simple but hearty dish to anchor his "Esprit de Provence" menu.

He uses a stock prepared the day before from olive oil, saffron threads, tomatoes, onions, garlic, fennel, parsley, white wine, water, fish heads and bones, and sea salt.

The standard version, priced at $19.95, is made with sliced potatoes, mussels, and three different varieties of fresh fish air-freighted from France. They include monkfish, John dory, and rascasse. A premium version made with Maine lobster goes for $27.95.

Halpert cooks to order 15 to 20 portions of bouillabaisse daily.

Accompanying the bouillabaisse are rouille, a saffron-red-pepper-and-garlic-infused mayonnaise, and aïoli, a garlic mayonnaise. Both condiments can be dropped directly into the soup or spread on a crouton.

— Alan Liddle

LA probe urges stepped-up health checks

By Richard Martin

LOS ANGELES — A grand jury probe into routine health inspections of the county's 20,000 restaurants has revealed a wide and purportedly health-threatening gap between state standards and local inspection levels.

The adoption of quicker, more food-focused inspection techniques and the creation of career incentives for the health department's chronically short-handed field staff were among the panel's main recommendations for boosting the annual number of sanitation checks from last year's average of 1.6 per restaurant to the state goal of four a year.

"We are potentially in danger of a [health] crisis developing if this kind of standard remains," grand jury foreman Robert D. Leland said.

The grand jury's report also urged the adoption of a proposed county ordinance that would require a food certification program for restaurant managers. It went on to suggest that once inspection-frequency goals are met, the health department should consider the countywide implementation of an "A-B-C" restaurant-grading system, modeled after one in San Die-

*(See **LA**, page 57)*

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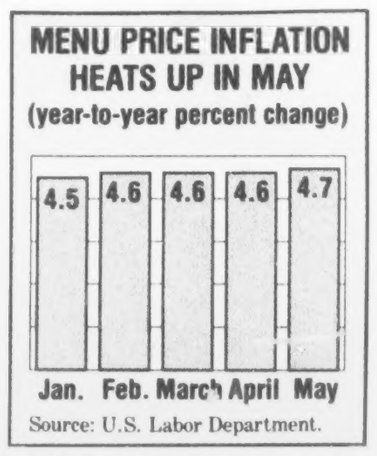
Vol. 23, No. 26 June 26, 1989

NEWS DIGEST

Menu inflation accelerates after upswing in food costs

WASHINGTON — Menu-price inflation advanced to 4.7 percent in May after a three-month pause at 4.6 percent, according to the U.S. Labor Department's Consumer Price Index.



The menu-price hikes reflect a rise in the inflation rate for wholesale food prices, to 7.1 percent in May from 6.8 percent in April.

Despite the increase in menu prices, sales at the nation's eating and drinking places hobbled along at 3.8 percent in May for the second straight month.

Supermarket price increases continued to outstrip price hikes both at the nation's eating places and at producer levels: Prices for food consumed at home rose a blistering 8.1 percent in May from a lofty 7.8 percent rate in April.

Feds seek restaurant data in labor racketeering probe

NEW YORK — Federal agents said they have subpoened the labor contracts and payrolls of six restaurants here as part of a grand-jury probe of labor racketeering.

The subpoenas were served on Windows on the World, the Four Seasons, the Old Homestead, Savories, the American Festival Cafe, and the Sea Grill.

Also subpoened were the rosters, collective-bargaining agreements, and dues receipt records of Local 6 of the Hotel and Restaurant Employees International Union.

Calif. requires cancer alerts to be posted beginning July 1

SACRAMENTO, Calif.— Starting July 1, restaurants serving alcoholic beverages in California must post notices warning customers that consumption of those products may increase the risk of cancer.

A fine of $2,500 can be levied for each violation of the requirement, a provision of the state's Safe Drinking Water and Toxic Enforcement Act, better known as Proposition 65. The new sign must appear along with one that was implemented last year, warning about links between alcohol and birth defects.

Manufacturers of alcoholic beverages will provide the new notices, according to the California Restaurant Association.

Hilton discloses plans to weigh value boosters

BEVERLY HILLS, Calif. — Following weeks of speculation that a sale of Hilton Hotels Corp. was imminent, the lodging chain said it would retain a financial adviser to assess ways of boosting "shareholder value."

An often-cited means is the divestiture of assets or the sale of an entire company.

What's more, Hilton chairman and major shareholder Barron Hilton said he would consider a purchase bid if one were presented.

Sky Chefs agrees to buy two kitchens from Dobbs

ARLINGTON Texas — Sky Chefs, a major airline feeder here, has entered into an agreement to acquire two in-flight catering kitchens from Memphis, Tenn.-based Dobbs International Inc.

The agreement calls for Sky Chefs to purchase one of Dobbs' two facilities at Dallas/Ft. Worth International Airport and Dobbs' in-flight kitchen at Hopkins International Airport in Cleveland.

Terms of the agreement were not disclosed.

A Dobbs International spokesman said the company sold the locations because of insufficient volume.

Jack in the Box adds Sourdough Burger

SAN DIEGO — Foodmaker Inc.'s 970-unit Jack in the Box chain has rolled out a Grilled Sourdough Burger, bringing its string of new products to nearly 30 since 1980.

The sandwich, sold for $2.55 in all company-owned outlets, comprises a quarter-pound beef patty, two slices of processed Swiss cheese, two slices of tomato, four half slices of bacon, and a mayonnaise-onion sauce on grilled sourdough bread.

Mo Iqbal, executive marketing vice president of Jack in the Box, said the sandwich would appeal to customers who are bored with traditional hamburger buns.

New York state issues new smoking regulations

ALBANY, N.Y. — After more than a decade of sometimes fierce debate, legislators here have agreed on new statewide smoking regulations that will require restaurants with 50 or more seats to reserve at least 70 percent of their tables for non-smokers.

Under the compromise proposal hammered out in the senate, the statewide restriction will not supersede local smoking rules. For instance, the multitude of restaurants in New York City will still be required to ban smoking in only half of their dining rooms.

Ten other states have already passed smoking restrictions. Two years ago New York's Public Health Council implemented its own statewide smoking rules, but a court struck down the regulations, ruling that the watchdog agency did not have the authority to impose such a measure.

Donatello loses gm, chef to entrepreneurial spirit

SAN FRANCISCO — Giancarlo Paterlini, general manager of Donatello restaurant and hotel, and Suzette Gresham, the renowned facility's chef, said they are leaving to start their own business next month.

Paterlini said he and Gresham are opening a 40-seat, moderately priced Italian restaurant called Acquerello, which means "watercolor" in Italian. He said the place would be located at the former site of Zola's, a French restaurant that is moving to larger quarters.

The general manager of Donatello since it opened in 1980, Paterlini was instrumental in developing the award-winning northern Italian restaurant.

Treasury official offers advice on renewing TJTC

WASHINGTON — With the Targeted Jobs Tax Credit set to expire on Dec. 31, a Treasury Department official has advised Congress to enhance the chances of extending the program by narrowing its scope.

Under the proposals, only restaurateurs in high unemployment areas would qualify for a TJTC, which grants a tax break to operators who hire persons with disabilities. In addition, a voucher system would be adapted to guarantee that the credit would be awarded only when truly hard-to-employ persons are given jobs.

The advice from Thomas Neubig, director of the Treasury Department's division of tax analysis, signals a possible softening of the Bush administration's resistance to extending the TJTC. The administration has said it opposes a renewal of the plan because of a pressing need to boost tax revenues.

Helmsley excused from trial because of mental frailties

NEW YORK — Hotel magnate Harry Helmsley, 80, has been excused indefinitely from standing trial for tax evasion because of his faltering health.

However, legal proceedings against Helmsley's wife, Leona, and two key employees, Frank Turco and Joseph Licari, are set to begin as planned on June 26.

FINANCIAL NEWS

Restaurant and bar sales increase 3.8% for May

WASHINGTON — Sales at the nation's eating and drinking places grew at a 3.8 percent rate in May, unchanged from the April rate, according to the U.S. Census Bureau.

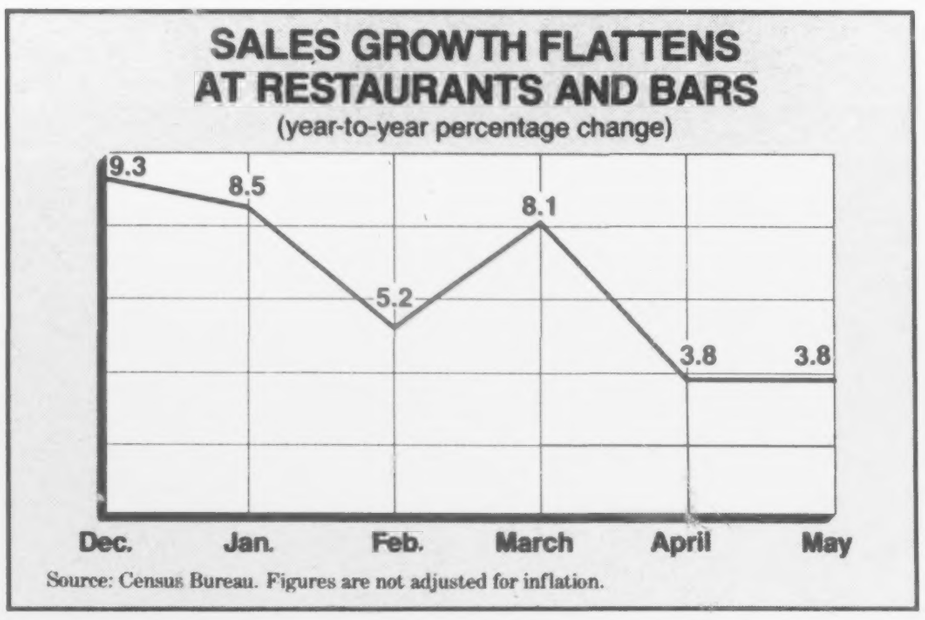
With menu-price hikes running at about 5 percent year-to-date, the small May increase suggests traffic counts fell for many food-service operators.

Analyst Caroline Levy of Shearson Lehman Hutton said the toll was especially heavy in the fast-food segment, where comparisons were hard and competition fierce.

"Everyone was discounting frantically," Levy said. "McDonald's had a very, very weak May."

According to Levy, McDonald's real sales were down by 5 percent to 7 percent last month. Sales at Kentucky Fried Chicken, Collins Foods International, and Wendy's were also off, she said.

"But I'm still hearing good numbers from some of the regional and midscale chains," she said.



Cooker's IPO nets $12.2 million

By Rajan Chaudhry

COLUMBUS, Ohio — Cooker Restaurant Corp., which operates nine Cooker Bar and Grille restaurants in three states, has filed a plan for an initial public offering of 4 million common shares at $4.50 each.

Cooker plans to use proceeds from the sale — about $12.2 million — to retire $7.8 million of bank debt. The balance would go toward funding further expansion.

Cookers are full-service, midscale restaurants featuring American regional cuisine and averaging annual sales of $3.2 million per unit.

Entrées range from $4.95 to $10.95, with most falling between $6.25 and $7.95. Per-person checks average $8.50.

Although Cooker filed with the Securities and Exchange Commission for an offering of 4 million shares, the company itself issued 3 million, said chief financial officer Bill Esch, and company chairman Arthur Seelbinder sold the remaining 1 million. Seelbinder retains about 2 million shares.

Cooker Bar and Grille
Columbus, Ohio
Founded: 1986
Number of units: nine
1988 sales: $21.1 million
Average per-store sales: $3.2 million a year
Per-person average check: $8.50
Officers: Chairman Arthur Seelbinder; president Phil Hickey Jr.; chief financial officer Bill Esch

The offering brings the number of Cooker's common shares outstanding to 10.5 million.

The company began the year with eight restaurants and plans to have 11 in operation by year's end.

"We plan to continue to grow at that type of a rate," Esch said.

Cooker operates four restaurants in Nashville, Tenn.; one in Memphis, Tenn.; two here; one in Cleveland; and one in Indianapolis. In 1989 the company will open another restaurant here and one in Detroit, Esch said.

In 1988 Cooker posted annual sales of $21.1 million, up 69 percent over 1987 sales. Net income was $542,000 vs. a loss of $248,000 in the prior year.

Cooker was formed in 1986. In addition to Seelbinder and Esch, Cooker's management includes president Phil Hickey Jr., who spent eight years with Gilbert/Robinson Inc.

Before the IPO and its listing on NASDAQ, Cooker shares were traded on an intrastate basis: Only residents of Ohio could buy the shares.

Cooker restaurants average 7,800 square feet with 230 seats, including a bar that accounts for 14 percent of sales.

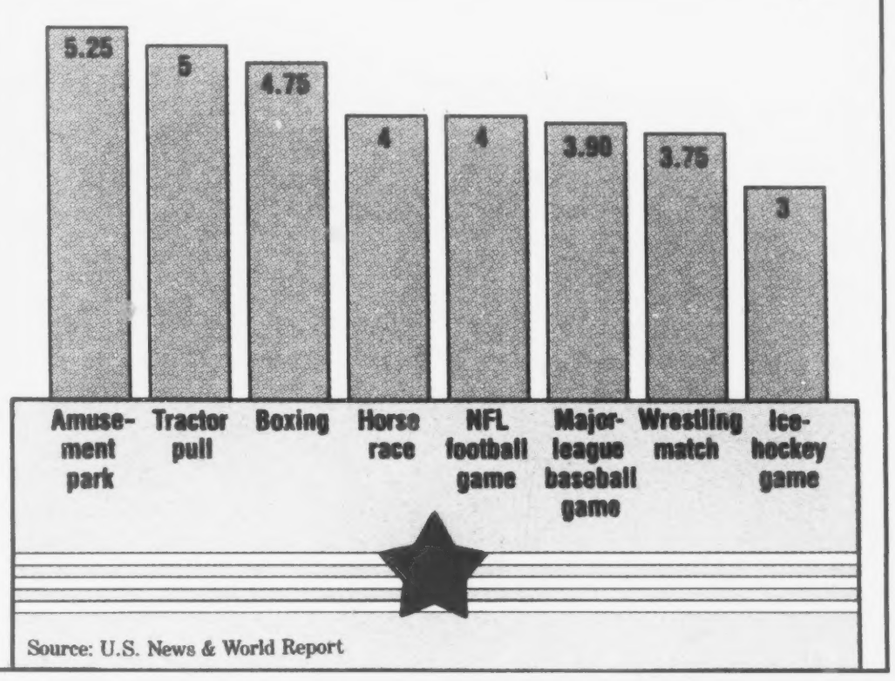
The restaurants' 60-item menu highlights traditional fare, like meat loaf, pot roast, lasagna, soups, and salads.

FACT FILE

A look at the statistics shaping the industry

A DAY AT THE FARE

Money spent on concessions (in dollars)



FOOD PRICE OUTLOOK

Cool weather slows lettuce growth

In mid-June the unseasonably cool weather that had plagued the California Central Coast area began to lift. For nearly two weeks, cool, overcast weather slowed **lettuce** growth and reduced available supplies as demand continued unabated. At presstime iceberg lettuce prices were expected to moderate as production stepped up again. Wade Whitfield of the California Iceberg Lettuce Commission pointed out that when normal temperatures follow a cold spell, fields all tend to come into production at the same time, creating an oversupply and low prices.

At the same time **California broccoli** was down well below the break-even point for growers. Freezers were coming into the market at the low pricing, so this year's frozen production may be up over last year's. The carryover from last year was well down from normal. Expect prices to be stable to lower.

Slackening of demand for **frozen cod** has left the price stable, despite the slowdown in imports. **Frozen flounder,** both fillets and blocks and slabs, was holding its high price under moderate to strong demand. **Ocean perch,** to which a number of fast feeders have switched because of tight cod supplies, has remained stable in price in both block and fillet form.

The effect of the Alaska oil spill in Prince William Sound is just beginning to be felt. It hit **herring** fishing hard and also closed down fishing for **Dungeness crab** and **bottom fish.** On the other hand, **halibut** and **salmon** fishing is expected to start on a normal schedule. The sound is a major red and pink salmon fishery area.

Uncertainty about whether the United States will cut off **wheat** sales to China, combined with a somewhat better than anticipated harvest estimate for winter wheat has pushed prices down a bit on futures but not in the cash market. Late spring rains have bailed out some Midwest grain producers, but much of the damage was irreversible.

— **Patt Patterson**

NRN FINANCIAL DIGEST

Circle K chairman taps LBO adviser

WASHINGTON — Karl Eller, chairman of Circle K Corp., said he has retained Sloate, Weisman, Murray & Co. to advise him in the possible acquisition of the Phoenix, Ariz.-based convenience-store company.

In a filing with the Securities and Exchange Commission, Eller revealed that he has entered into a one-year agreement with Sloate, Weisman.

Under the terms of the agreement, Sloate, Weisman will act as Eller's financial adviser in exchange for a fee of $2.5 million if he acquires Circle K during the term of the agreement. Eller has also agreed to give Sloate, Weisman an opportunity to purchase an equity interest in the company if he takes control and to place a representative of Sloate, Weisman on the board of the surviving company.

Late in May, Eller had advised the board of Circle K that he might attempt a leveraged buyout of the company.

Luby's lifts net income 10.5 percent

SAN ANTONIO, Texas — Luby's Cafeterias Inc. said an increase in the number of restaurants in operation and a menu price hike of 6.5 percent boosted net income 10.5 percent, to $8.1 million, and sales 14 percent, to $75 million, for the third quarter ended May 31.

The company had 121 Luby's Cafeterias in operation at the end of the latest quarter vs. 110 in the same period a year ago, said John E. Curtis Jr., Luby's senior vice president and chief financial officer.

The price hike offset a 1.5-percent drop in customer counts that Curtis attributed to a soft May selling period, resistance to price hikes, and cannibalization by new stores.

For the May-ended nine months, Luby's posted an 8-percent year-over-year increase in net income, to $21.3 million, on a 12-percent sales gain, to $208 million.

Karcher stock to split 2-for-1

ANAHEIM, Calif. — Carl Karcher Enterprises Inc., which operates the Carl's Jr. hamburger chain, declared a two-for-one stock split payable July 14 to shareholders of record June 22.

For the first quarter ended May 22, the cost of the company's repurchase and retirement of nearly 25 percent of its outstanding shares cut net income 15 percent, to $5.7 million, while revenues advanced 21 percent, to $148.9 million.

The repurchase was concluded in August.

Marriott to buy United HealthServ

WASHINGTON — Marriott Corp., in a move to diversify its food-and-services management unit, said it had agreed to acquire United HealthServ Inc., a provider of housekeeping maintenance and laundry services.

Terms were not disclosed.

Newark, Del.-based United HealthServ has operations in 47 states and four Canadian provinces.

FOCUS | OPINION

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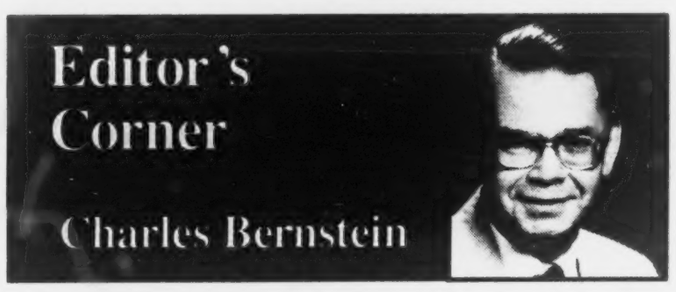
Garbage crisis: Operators must act now

A huge garbage study sponsored by the National Restaurant Association earlier this year showed that of extensive samples which a leading archeologist sorted in municipal landfills, only 0.2 percent represented fast-food wrappers, paper, plastic, or foam. This would lead one to believe that the much-ballyhooed solid-waste disposal problem is a figment of someone's imagination as far as food-service operators and fast feeders are concerned.



The infinitesimal ratios prompted then-NRA president Jim L. Peterson to declare that "officials who think they can solve the solid-waste disposal crisis by penalizing fast feeders are wrong. The issue is far bigger than any one industry, and its resolution will involve a concerted effort by all elements of our society."

In theory, Peterson was absolutely correct.

However, in practice, both state and local governments are proceeding with recycling and fast-food-packaging legislation. The food-service industry is very much in the limelight and on the spot, regardless of all sorts of statistics that can be produced to maintain that the fault lies elsewhere.

The NRA's 1989-'90 president, Harris (Bud) Rusitzky, contends that "the media tends to focus disproportionate attention on the role of food service in solid waste" and that "we hope to change that public perception because the fact is that our industry contributes less than one-third of 1 percent of the waste to the solid-waste stream."

Perception becomes reality in this media age of images. Most consumers would agree with Milwaukee restaurateur Barbara Mueller's statement in this newspaper last month: "Fast-food packaging is one of the major causes of America's huge garbage problem."

Rather than debating the relative merits of who is or is not to blame, the industry needs to arm itself with a positive response by developing new packaging that will directly answer the problem rather than denying it.

The industry can learn from McDonald's and follow its example. McD has led the way by admitting the situation does exist, and it has shown a tremendous commitment to reduce the amount of waste.

Among other things, it has cut the weight of paper used to wrap its sandwiches, dropped flaps from the sandwich containers, changed to frozen-concentrate orange juice to curb the packaging, and improved the efficiency of its french-fries packaging to save more than 2 million pounds.

In fact, McD is probably saving as much as 80 million pounds of packaging annually on all its innovations. In addition, it has made its polystyrene and plastic packaging thinner. It also is going to great lengths for maximum garbage compaction at all possible sites.

We can argue that it simply isn't so, that fast-food packaging contributes only a tiny proportion of solid waste. Yet this does not convince consumers who see enough fast-food wrappers flying around to believe otherwise.

With many landfills approaching their full capacity, some communities won't allow any fast-food refuse at their landfills. States and communities are trying to reduce the amount of garbage by taxing food containers and banning all disposable packaging. Indeed, recycling and packaging laws are the order of the day.

Iowa has passed a law requiring the recycling of one-fourth of all plastic products by 1992 and one-half by 1993. A proposed Illinois bill would ban polystyrene or polyvinyl containers, while a projected Wisconsin bill would eventually ban polystyrene foam plastic.

Meanwhile, test recycling programs are being tried in Wisconsin, with positive incentives being eyed to encourage restaurateurs and other businesses.

Actually, states and cities from coast to coast are jumping into solid-waste and environmental legislation. Pending bills in Minneapolis and St. Paul would severely restrict plastic packaging by enacting special taxes whose revenues would go toward recycling. New York City is preparing to mandate the recycling of wastes, and Berkeley, Calif., and Suffolk County, N.Y., have barred the use of polystyrene plastic for packaging.

But restaurateurs can seize the initiative to show they are serious about cleaning up the environment.

Paper can be recycled for all sorts of purposes, including cash receipts, place mats, and order pads. The use of unbleached coffee filters and biodegradable trash bags may cost a little more, but it is a price restaurateurs must be willing to pay.

As Rusitzky asserts, "If our industry does not involve itself in solving this crisis, we will pay the penalty in restrictive legislation and higher collection fees."

It is imperative that operators find the solutions at any cost and implement them to avoid further government crackdowns. Operators must fulfill their responsibilities for improving the environment and fostering customer goodwill.

LETTERS

Food-service industry: Stop passing the buck

Editor, NRN:

I am writing to express my feelings on your May 15 page 1 article dealing with the minimum-wage issue.

I feel that some negative attitudes were presented in the article relating to food-service employees. One or two people felt that their employees did not deserve raises and that they did not know what was going on around them.

I stop and tell myself, 'Whose fault is it that the employees do not now what they are supposed to be doing? It is *your* fault.'

As a senior majoring in hotel-restaurant management, I feel that the buck is sometimes passed off on the innocent employee. I am not being naive about the situation at all.

I am fortunate to see food-service issues from the standpoint of an employee in the industry and an HRM student.

The problems facing the food-service industry will never be solved until we all join together to find the solutions.

— Donald L. McClelland
student
Virginia State University
Petersburg, Va.

Taste of the Nation gala a fun success in Boston

Editor, NRN:

Thanks for all the coverage of the Taste of the Nation. The Boston function was not only a success but quite a lot of fun, too!

— Ross Cameron
executive chef
Cornucopia
Boston

Bob Luckey's memory deserves to live on

Editor, NRN:

My husband, the late Bob Luckey, loved the food-service industry. His restaurants were his children, and he was always looking out for the little guy down at the bottom, trying to reach the top, as Bob did.

Some time has gone by since we lost Bob, but I would like his memory to live on and not be forgotten in the food-service industry.

Would it be possible to start a scholarship or reward to a worthwhile person who, each year, has achieved and progressed to a great level? The award would be presented in honor of Robert Kenneth Luckey, 1938-88.

Any suggestions or thoughts would be deeply appreciated.

We miss him so much. Thank you again for the wonderful and sensitive article you wrote about Bob in Nation's Restaurant News.

— Rose Marie Luckey
Cary, N.C.

Entrepreneurs: Thanks for inclusion on roster

Editor, NRN:

I just wanted to say thanks for your mention of my brother, Richard, and me in your Editor's Corner column, "Group approach: Entrepreneur still crucial."

As always, it was an exceedingly well-done article, and we were most pleased that you chose to add us to your roster of entrepreneurs. I'm certain that it shall help us in our acquisition efforts.

We have been looking at a number of interesting companies but are going for quality and will take our time to find the right deal.

Thanks again and best wishes to you.

— Steven H. Buckley
Stevric Equity Ventures Inc.
Mineola, N.Y.

TRENDS

Cava imports surpass French bubblies in '88

Spanish producers toasted themselves royally in 1988 as they passed France for the first time as the leading supplier of sparkling wine to America. We took in 1,128,300 cases of Spanish Cava last year, compared with 1,006,500 cases of French sparklers of all types.

States to toughen laws to cut DWI fatalities

California is considering a measure to lower the allowable blood alcohol level for driving to .08 percent from .10 percent, thus joining six other states in moving toward a lower alcohol-level limit. The .10-percent boundary is standard in 40 states and the District of Columbia. Two states have higher limitations, three have lower, and five have none at all.

Researchers say the number of alcohol-related traffic deaths has leveled off to about 24,000 annually after a sharp decline in the first half of the decade. Advocates of tougher restrictions are pushing for the lower alcohol-level standards and for the revocation of drunken drivers' licenses to combat drunken driving.

Hotels and states battle over use of minibars

Several states, including New York, Texas, and Massachusetts, are studying legislation allowing minibars in hotel rooms. They're prohibited in those three states on the grounds that minors can get at the goodies and the bars are open 24 hours a day.

More and more hotels want to install the profitable dispensers and claim that keys go only to adults and that the minibars can be shut down after hours electronically. Hotel representatives also argue that people should be able to do what they want to do in the privacy of their own rooms.

Scotch producers form Keepers of the Quaich

Taking a tip from the French, who have formed honorary societies for just about every type of wine made, Scotch producers and marketers have created a society called Keepers of the Quaich. Members of the group, which will promote the whiskey's special image, must have at least five years' association with the industry.

The second induction will be held next month at Blair Castle in Scotland. Expectations are that the society will rapidly expand to the U.S. as it seeks to boost sales of a beverage that ranks with the U.K.'s top five exports in terms of value, bringing nearly $2 billion to the Brtish economy in 1987. Quaich means "cup," and members receive an engraved silver drinking cup.

Seagram trims line, focuses on premium

Twenty-five familiar labels will disappear or find new homes in a cutback at Seagram. The company says it is divesting certain non-premium spirits to concentrate on more profitable nationally distributed brands.

Among the group are Crown Russe, Nikolai vodka, Burnett's White Satin, and Harewood Canadian whiskey. Production and sales of Lochran Ora liqueur, Myer's white and gold rums, and Seagram's Imported vodkas will cease.

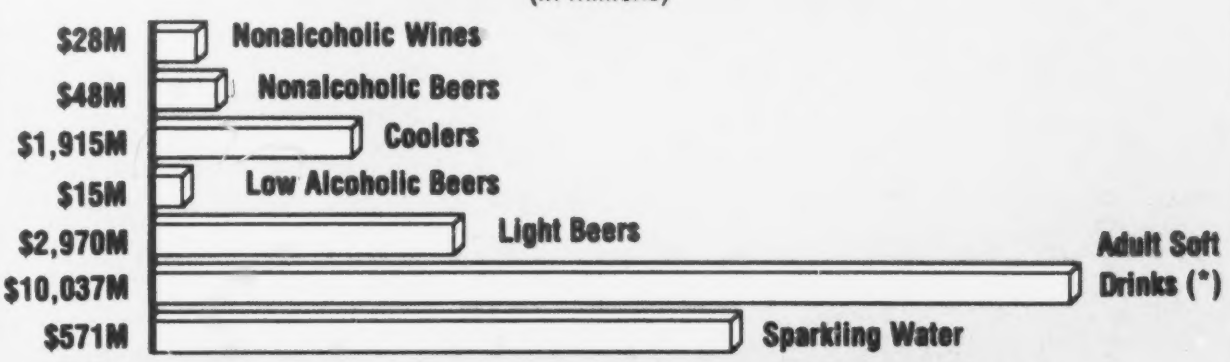
We'll double consumption of bottled water by 1992

Low-alcohol and alcohol-free drinks aimed at adults will add up to an $18.4 billion market at wholesale prices by 1992, according to a study by the Frost & Sullivan market research firm.

Bottled water is the fastest-growing segment of the beverage industry. The study showed that in 1987 Americans consumed 6.2 gallons of bottled water per capita, and it projected that the figure would jump to 12.4 gallons by 1992.

The study also revealed an adult soft-drink market of $10 billion in 1988, forecast to reach $11.7 billion by 1992. Light beers, described by Frost & Sullivan as "the most significant and fastest- growing element of the beer industry," will rise to $3.3 billion by 1992.

LOW ALCOHOLIC & NON-ALCOHOLIC BEVERAGES MARKET IN THE U.S. — 1988
(in millions)



(*) Includes natural sodas, sweetened seltzers, and juice-added drinks.
Source: Frost & Sullivan Inc.